REMARKS

Claims 21-27, 29, 30-34, 40-44, 47, and 68-74 are rejected under *35 U.S.C. §112,* first paragraph, as failing to comply with the written description requirement. Claims 30-34 and 40-46 are rejected under *35 U.S.C. §102(e)* as being anticipated by Ramachandran U. S. Patent No. 6,315,195 ("Ramachandran"). Claims 21, 23-29, and 41-46 are rejected under *35 U.S.C. §103(a)* as being unpatentable over Ramachandran U. S. Patent No. 6,315,195 and further in view of Hillson et al. U. S. Patent No. 6,118,860 ("Hillson"). Claims 58, 65-66 and 68-74 are rejected under *35 U.S.C. §103(a)* as being unpatentable over the combination of Ramachandran U. S. Patent No. 6,315,195 and Hillson et al. U. S. Patent No. 6,118,860 as applied to claims 30 and 40, and further in view of Swonger et al. U. S. Patent No. 4,210,899 ("Swonger"). Claims 22 and 47 are rejected under *35 U.S.C. §103(a)* as being unpatentable over the combination of Ramachandran U. S. Patent No. 6,315,195, Hillson et al. U. S. Patent No. 6,118,860 as applied to claim 21, and further in view of Terrell U. S. Patent No. 6,076,731 ("Terrell"). Claims 59-64 are rejected under *35 U.S.C. §103(a)* as being unpatentable over the combination of Ramachandran U. S. Patent No. 6,315,195 and Hillson et al. U. S. Patent No. 6,118,860 as applied to claim 58, and further in view of Hanna et al. U. S. Patent No. 6,714,665 ("Hanna"). Claim 72 is rejected under *35 U.S.C. §103(a)* as being unpatentable over the combination of Ramachandran U. S. Patent No. 6,315,195 and Hillson et al. U. S. Patent No. 6,118,860 as applied to claim 21, and further in view of Swonger et al. U. S. Patent No. 4,210,899 ("Swonger").

According to *MPEP §2131*, "to anticipate a claim, the reference must teach every element of the claim." A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Bros. v. Union Oil of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

According to the *MPEP §2143*, three basic criteria must be met to establish a *prima facie* case of obviousness. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of

ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Regarding claim 21, claim 21 recites in combination with numerous additional elements the elements of "for comparing said identity information with correlated cardholder information stored in an external database." In the response dated September 26, 2006, the Examiner has taken the position that the "external database" element of applicants' claims is satisfied by the programmable memory of the Ramachandran transaction apparatus. A transaction apparatus memory cannot reasonably be taken to be an element satisfying the external database related element of claim 21 particularly in light of clarifying amendments of the applicants. Applicants have amended claim 21 to further clarify the external database element of claim 21 over Ramachandran.

Regarding claim 30, claim 30 recites in combination with numerous additional elements the elements of an "external data base accessible to said processor system." In the response dated September 26, 2006, the Examiner has taken the position that the "external database" element of applicants' claims is satisfied by the programmable memory of the Ramachandran transaction apparatus. A transaction apparatus memory cannot reasonably be taken to be an element satisfying the external database related element of claim 30 particularly in light of clarifying amendments of the applicants. Applicants have amended claim 30 to further clarify the external database element of claim 30 over Ramachandran.

Regarding claim 40, claim 40 recites in combination with numerous additional elements the elements of "an external database connected with said display monitor." In the response dated September 26, 2006, the Examiner has taken the position that the "external database" element of applicants' claims is satisfied by the programmable

memory of the Ramachandran transaction apparatus. A transaction apparatus memory cannot reasonably be taken to be an element satisfying the external database related element of claim 40 particularly in light of clarifying amendments of the applicants. Applicants have amended claim 40 to further clarify the external database element of claim 40.

Regarding claim 58, claim 58 recites the element of utilizing a lookup table to set one or more operating parameters of a card reader effecting image data captured by said card reader. In reference to the above element the Examiner references Hillson, column 17, line 60 to column 18, line 24. Hillson, columns 17 and 18 cite as follows:

> Referring to FIG. 17, the card clearing task begins with block 360 which directs the processor to actuate the card reader to identify the type of card. Block 362 then directs the processor to a lookup table which is addressed to determine whether or not the card inserted is supported by the apparatus. If the card is not supported, block 364 directs the processor to reject the card. If the card is supported, however, block 366 directs the processor to perform a card format and valid data test on the data read from the card. If the card format or data is not valid, block 368 directs the processor to reject the card.
>
> If the card information is valid, block 370 directs the processor to send the card data to the central server 26 by way of a message sent through the request and reply pipe 68 shown in FIG. 3 to the transaction server interface 50.
>
> Referring back to FIG. 3, the transaction server then looks up local card clearing files stored in the database 62 to determine whether or not the card should be rejected and if, based on these files, the card should be rejected, a reply message to this effect is sent back to the apparatus. This reply message is received by the apparatus as indicated at block 372 and block 374 directs the processor to reject the card. If the server determines that the card should not be rejected, a message to this effect is sent back to the apparatus where block 376 directs the processor to determine, by reference to the HTML page containing such information, whether or not the goods or services presented by the content provider for purchase can be purchased or acquired by pre-authorization. In other words, there is a code in the HTML file indicating whether or not the goods or services sought by the user can be purchased outright or purchased on the basis of a pre-authorization. *Hillson, '860, column 17, line 60 to column 18, line 24.*

The referenced section makes no reference to utilizing a lookup table to set one or more operating parameters of a card reader *effecting image data captured by said card reader.* (Emphasis added) In fact, the Examiner has failed to indicate any teaching of Hillson relating to operating parameters and image data capture. If the Examiner wishes to maintain the rejection of claim 58 over Hillson, the Examiner is respectfully requested to explain where in Hillson there is a teaching of utilizing a

lookup table to set one or more operating parameters of a card reader effecting image data captured by said card reader.

Regarding claim 68, claim 68 recites in combination with numerous other elements a control circuit which is configured to activate a first set of decoding algorithms if the control circuit determines that a card is of a first type and activates a second set of decoding algorithms if the control circuit determines that the card is of a second type. The Examiner's entire statement of rejection of claim 68 is as follows:

> For claim 69, Regarding claim 58, Ramachandran teaches a card reader capable of processing a card carrying identification information and having at least one decodable dataform, said card reader (abstract) comprising:
> (a) a housing (FIG. 2);
> (b) a display disposed on said housing (column 10, lines 50-52);
> (c) a memory (column 7, lines 25-26);
> (d) an imaging assembly including a two dimensional image sensor, said imaging assembly having an imaging axis that extends outwardly from said housing (scanner and multifunction card that configured to be able to read conventional credit and debit cards) (column 4, lines 47-50 and column 6, lines 7-10);
> (e) a control circuit (controller) (column 8, lines 8-22 and lines 65-67) in communication with said memory (column 17, line 45 to column 18, line 25)
> (f) wherein said control circuit is configured to (i) capture image data corresponding to said card (scanning or reading barcode) (column 4, lines 47-50);
> Ramachandran further teaches storage medium for card type accessing (column 3, lines 60-65). Ramachandran does not explicitly teach the card reader apparatus further comprising a lookup table for storing said predetermined control operation parameters based on card type and process captured image data to determine a card type. Hillson teaches a card accessing apparatus (FIG. 13) wherein the card reader apparatus comprising a lookup table for storing (column 17, lines 62-64) said predetermined control operation parameters based on card type (contains predetermined image sensor (column 13, lines 20-28), where said control circuit (processor) (FIG. 1, element 24) is in communication (FIG. 1, element 14a) with said two dimensional image sensor (column 13, lines 20-28), and wherein said control circuit is configured to capture image data representing a two dimensional area of said identification card (column 13, lines 10-28). Modifying Ramachandran's method of card reader identification according to Swonger would be able to provide an implementation two dimensional image sensor in capturing image. This would improve processing and therefore, it would have been obvious to one of the ordinary skill in the art to modify Ramachandran according to Swonger. *September 26, 2006 Office Action, pages 13-14.*

The Examiner's statement of rejection of claim 68 is completely devoid of any reference to the claimed element of a control circuit which is configured to activate a first set of decoding algorithms if the control circuit determines that a card is of a first type and activates a second set of decoding algorithms if the control circuit determines that the card is of a second type. If the Examiner will maintain the rejection of claim 68, the Examiner is respectfully requested to explain where in the relied upon prior art there is a teaching or suggestion of a control circuit which is configured to activate a first set

of decoding algorithms if the control circuit determines that a card is of a first type and activates a second set of decoding algorithms if the control circuit determines that the card is of a second type.

Regarding claim 75, claim 75 is indicated as being withdrawn by the Examiner by reason of the claim being directed to an invention different from the remaining claims. Applicants respectfully traverse the withdraw of claim 75 on the grounds that the Examiner has not presented a substantive reason for the withdraw of claim 75. In positioning that claim 75 is different from the remaining claims the Examiner states that claim 75 is "directed to a method which allows a card reader to detect card degradation status of a card and further process base on the degradation status of the card." However, the Examiner's reasoning is not substantive since the elements that the Examiner references are already present in alternative form in a remaining claim. Specifically, pending claim 48 already recites an element related to detecting card degradation status ("wherein said card reader is configured to sense a level of degradation of said card") and already recites an element related to further processing of a card based on the degradation status ("wherein said card reader is further configured to display indicia on said display in a manner that varies depending upon a determined line of degradation of said card"). Accordingly, the withdrawal of claim 75 is respectfully traversed.

Regarding claims 21-27, 29, 30-34, 40-44, 47, and 68-74, claims 21-27, 29, 30-34, 40-44, 47, and 68-74 are rejected under *35 U.S.C. §112* as failing to comply with the written description requirement for the purported reason that the original disclosure does not show support of the relationship of how the first type, the second type of card identification, and the control circuit that is designed to work together as claimed.

Regarding a written description rejection under *35 U.S.C. §112,* an Examiner has the initial burden of presenting evidence of reasons why persons skilled in the art would not recognize in the disclosure a description of the invention defined by the claim. *MPEP §2163.04.* The Examiner has provided no specific reason for the rejection under *35 U.S.C. §112* first paragraph. The broad statement that the original disclosure does

not show support of the relationship of how the first type, the second type of card identification, and the control circuit that is designed to work together as claimed cannot reasonably be taken to be in compliance with the requirements of an Examiner for establishing a *prima facie* case under *35 U.S.C. §112.*

Regarding support for the claims regarding the broadly identified subject matter, the Examiner's attention is directed to *e.g.*, the circuit diagram of Fig. 2 showing a control circuit 40 in communication with an image sensor 32 and a card reader 14. The Examiner's attention is also directed to the flow diagram of Fig. 4d in which a process including a processing of two different cards is described. As explained *e.g.*, at page 32, first paragraph, "After reading the mag stripe encoded data at block 154, control circuit 40 may then at block 156, compare the card data determined by image analysis of card to the identification card reader determined by mag stripe reader 14." In addition, original claim 14 recited "a card reader...further comprising a mag stripe reader, wherein the control circuit is adapted to...read said mag stripe of said second card to generate a second decoded message from a second card." There is additional support for claim 1 throughout the specification. For example, at page 3, there is described a control circuit that can "compare the data determined from two separate cards." As another example, at page 6, lines 10-12 there is described a magnetic stripe reader 14 "that allows decoding of magnetic stripe reading information from identification card 16 in the case the card includes a magnetic stripe." Also, there is described at page 10, lines 11-14 that "Processor 42 may also receive electrical signal information from magnetic stripe reader 14 as digitized by A/D converter 36-2." Processor 42 is described in an exemplary embodiment as part of control circuit 40 (see *e.g.*, Fig. 2). The description also provides support for a communication between the control circuit and a card reader where the card reader is not optical based or mag stripe based. For example, the specification states processor 42 may also receive electrical signals from a smart card reader (not shown), or another data input source. (page 10, lines 12-14).

Furthermore, not only are relationships between a control circuit first type and second type of card identifications disclosed in the original specification, such

relationships are disclosed in the original claims. For example, original claim 14, submitted on filing discloses as follows:

> 14. The card reader of claim 1, further comprising a mag stripe reader, wherein said control circuit is adapted to:
> decode said dataform of said card to generate a first decoded message from a first card;
> display on said display a prompt prompting a user to swipe a second card in said mag stripe reader;
> read said mag stripe of said second card to generate a second decoded message from a second card; and
> compare said first decoded message to said second decoded message.

Accordingly, the original application includes a disclosure of a relationship between a control circuit a first type of card identification and a second type of card identification. While the complained of claims are broader than original claim 14, original claim 14 does provide support for claim elements relating to the alleged unsupported combination complained of by the Examiner.

Regarding the new matter rejection under 35 U.S.C. §112, the Examiner has positioned that the subject matter added by amendment "seems to add the relationship of a control circuit communicated with a first card, second card, and a mag stripe reader in which their relationship was not disclosed in the original disclosure." However, such a relationship is discussed at least in original claim 14, subject matter of which has been incorporated in the specification. There is a strong presumption that an adequate written description of the claimed invention is present when the application is filed. *In re Wertheim*, 541 F.2d 257, 263, 191 USPQ 90, 97 (CCPA 1976) ("we are of the opinion that the PTO has the initial burden of presenting evidence or reasons why persons skilled in the art would not recognize in the disclosure a description of the invention defined by the claims"). See *MPEP §2163.*

Regarding the claims discussed herein, the applicants' selective treatment and emphasis of independent claims of the application should not be taken as an indication that the applicants believe that the Examiner's dependent claim rejections are otherwise sufficient. In fact, it is noted in the office action that the dependent claims are rejected without substantial, and in certain instances, without any reference to the limitations of the dependent claims in combination with the base claim elements. In rejecting claims

for want of novelty or for obviousness, the Examiner must cite the best references at his/her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified. *37 C.F.R. 1.104(c)(2).* If the Examiner will maintain the rejections of the claims including the dependent claims, the Examiner is respectfully requested to specify which claims are being rejected when references are discussed. The Examiner is further respectfully requested to specify each claim, including each dependent claim in making the rejections in accordance with the requirements of *37 C.F.R. §1.104.*

While the applicants herein may have highlighted a particular claim element of a claim for purposes of demonstrating an insufficiency of an examination on the part of an Examiner, the applicants highlighting of a particular claim element for such limited purpose should not be taken to indicate that the applicants have taken the position that a particular claim element constitutes the sole basis for patentability out of the context of the various combinations of elements of the claim or claims in which it is present.

The Examiner will note that applicants have added new claims 81-88. New claims 81-88 are believed to be allowable in that they recite combinations of elements not shown or suggested in the prior art.

Accordingly, in view of the above amendments and remarks, applicants believe all of the claims of the present application to be in condition for allowance and respectfully request reconsideration and passage to allowance of the application.

If the Examiner believes that contact with applicants' attorney would be advantageous toward the disposition of this case, the Examiner is herein requested to call applicants' representative at the phone number listed below.

The Commissioner is hereby authorized to charge any additional fees associated with this communication or credit any overpayment to deposit Account No. 50-0289.

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Respectfully submitted,

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